

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CU-06 DHA-05 BIB-01 ACDA-12 EB-08
COME-00 OES-07 CIAE-00 DODE-00 PM-05 H-02 INR-07
L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 TRSE-00 AID-05 FRB-01 XMB-04 OPIC-06
LAB-04 SIL-01 OMB-01 /131 W
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P 131944Z OCT 77

FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC PRIORITY 2867

UNCLAS SECTION 1 OF 2 BELGRADE 6986

FOR EUR/RPM AND EUR/SOV FROM USDEL CSCE

E.O. 11652: N/A
TAGS: CSCE OCON
SUBJECT: BELGRADE CSCE -- US BASKET TWO PRESENTATION OCTOBER 12

FOLLOWING IS ADDRESS BY AMBASSADOR SHERER TO CLOSED
PLENARY ON BASKET TWO ISSUES, OCTOBER 12, 1977.

BEGIN TEXT

MR. CHAIRMAN:

ALTHOUGH POLITICAL AND SECURITY QUESTIONS WERE
AT THE ORIGIN OF THE DISCUSSIONS WHICH LED TO THE
FINAL ACT OF THE CONFERENCE ON SECURITY AND COOPERATION
IN EUROPE, THE AREAS OF COMMERCIAL AND SCIENTIFIC
EXCHANGE HAVE BECOME A KEY ELEMENT IN THE FINAL ACT.
THE SECOND SECTION REFLECTS THE INCREASING TEMPO OF
THESE EXCHANGES OVER THE LAST DECADE. FURTHERMORE,
IMPLEMENTATION OF ITS PROVISIONS, WE BELIEVE, CAN
PROVIDE AN IMPETUS FOR THE FRUITFUL PROGRESS WE SEEK
IN OTHER AREAS.

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CHAPTER TWO OF THE FINAL ACT PROVIDES A VEHICLE
FOR PROMOTING FRUITFUL ECONOMIC ACTIVITIES AMONG ALL
CSCE PARTICIPATING STATES AND PARTICULARLY BETWEEN
THOSE WITH DIFFERENT SOCIAL, POLITICAL AND MARKET
SYSTEMS. MUTUALLY BENEFICIAL AND RECIPROCAL
ECONOMIC RELATIONS CAN PROVIDE MATERIAL BENEFITS TO BOTH

SIDES AND, AS THOSE BENEFITS GROW, CAN SMOOTH CONTACTS AND UNDERSTANDING IN OTHER SPHERES. THIS SECTION SETS DOWN A CONCRETE CHARTER OF RESPONSIBILITIES FOR BOTH EASTERN AND WESTERN NATIONS BASED ON THE UNDERSTANDING THAT IT IS IN THEIR MUTUAL INTEREST TO INCREASE TRADE, INDUSTRIAL COOPERATION AND SCIENTIFIC EXCHANGE.

TO BE SURE, AS WITH OTHER SECTIONS OF THE FINAL ACT, PROGRESS IS OFTEN SLOW. ITS PACE SHOULD NOT BE DISCOURAGING. THE UNITED STATES IS SINCERELY ANXIOUS TO SEE IMPROVEMENTS IN BUSINESS CONTACTS AND FACILITIES, AND WE HAVE NOTED IMPORTANT STRIDES IN THAT DIRECTION MADE BY SOME EASTERN COUNTRIES. THE PROVISION OF ADEQUATE ECONOMIC AND COMMERCIAL INFORMATION IS VITAL TO THE SUCCESS OF TRADE AND INDUSTRIAL COOPERATION. IN THAT SPHERE, THERE HAS BEEN PROGRESS, BUT SIMPLY NOT ENOUGH OF IT.

IT MUST BE REMEMBERED THAT WESTERN BUSINESS INTERESTS, IN THEIR NEGOTIATIONS REGARDING TRADE, JOINT VENTURES AND COOPERATIVE AGREEMENTS WITH THE EAST, MUST GET ANSWERS TO THEIR QUESTIONS AND HAVE OTHER REQUISITE INFORMATION. IF THEY ARE FRUSTRATED IN THEIR ENDEAVORS, THEY WILL LOSE INTEREST -- TO THE DETRIMENT OF THE PRINCIPLES AND POSSIBILITIES ENUNCIATED IN THE FINAL ACT.
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SUCCESSFUL IMPLEMENTATION OF SECTION II REQUIRES THAT OLD HABITS AND TRADITIONS SHOULD BE CHANGED. IMPROVEMENTS IN THEIR AREA WILL PAY SUBSTANTIAL DIVIDENDS TO BOTH SIDES.

ANOTHER MATTER OF CONCERN IS THE INSUFFICIENTLY RAPID PROGRESS THE UNITED STATES HAS NOTED II THE PROMOTION OF EASED, INFORMAL CONTACT AND COLLABORATION SCIENTISTS. THE WORLD COMMUNITY OF SCHOLARS IS AMONG OUR MOST VALUABLE RESOURCES AND THE LANGUAGE OF SCIENCE IS UNIVERSAL. WITHIN THAT COMMUNITY FREEDOM TO CONVERSE IS ESSENTIAL TO PROGRESS. SCIENTIFIC RESEARCH CANNOT BRING MANKIND ITS POTENTIAL BENEFITS IF RESEARCHERS ARE KEPT APART AND THEIR CONVERSATIONS MUFFLED.

ALL THE ASPECTS OF THE SECOND SECTION CONTAIN PARTICULAR QUESTIONS, OF THE KIND OUTLINED ABOVE, WHICH THE UNITED STATES DELEGATION INTENDS TO DISCUSS IN DETAIL. THE DIALOGUE IN THE SUBSIDIARY WORKING GROUPS OFFERS ALL PARTICIPANTS AN OPPORTUNITY TO REMOVE MISUNDERSTANDINGS AND REPLACE THEM WITH NEW, MUTUAL COMPREHENSION. THE AMERICAN DELEGATES ARE CONFIDENT

THAT THE PROCESS OF TALKING OUT OUR PROBLEMS IS A
CONSTRUCTIVE ONE, PREREQUISITE TO THE CONCRETE ADVANCES
IN COOPERATION THE BELGRADE CONFERENCE CAN STIMULATE.

MR. CHAIRMAN, I WISH TO EXPRESS MY COUNTRY'S
DEEP APPRECIATION FOR THE EXCELLENT WORK OF THE
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE IN
FACILITATING IMPLEMENTATION OF THE PROVISIONS OF THE
FINAL ACT. THE UNITED STATES LOOKS FORWARD TO ITS
FURTHER INVOLVEMENT IN THIS PROCESS AND IN
PARTICULAR TO THE REPORT OF THE EXECUTIVE SECRETARY ON
ENVIRONMENTAL TOPICS WHICH WILL BE GIVEN AT THE THRITY-
THIRD SESSION.

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ACTION EUR-12

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FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC PRIORITY 2868

UNCLAS SECTION 2 OF 2 BELGRADE 6986

FOR EUR/RPM AND EUR/SOV FROM USDEL CSCE

WHILE WE HAVE AGREED TO THESE GOALS, WE MUST AT
THE SAME TIME RECOGNIZE THE DISTANCE THAT STILL
SEPARATES US. UNCERTAINTY, FOR EXAMPLE, IS THE ENEMY
OF BOTH CENTRALLY PLANNED AND MARKET ECONOMIES.
IN ORDER TO LAY A FIRM BASE FOR INCREASED TRADE,
AVAILABILITY OF THEIR PRODUCTS AND SERVICES, AS WELL
AS, OF THE PRICES AT WHICH THEY WILL BE OFFERED.
WESTERN SUPPLIERS, MOREOVER, REQUIRE RELIABLE BASES
FROM WHICH TO FORECAST END-USER NEEDS, DEVELOPMENTS
IN THE USE OF IMPORTED PRODUCTS AND PROCESSES, AND
ABILITY TO PAY. THE PROGRESSIVE AND RECIPROCAL
REDUCTION OF SUCH UNCERTAINTIES SHOULD ALSO BE
MATCHED BY MUTUAL EFFORTS TO PROMOTE TO EXPAND
EXCHANGES -- QUANTITATIVELY AND QUALITATIVELY.

THE UNITED STATES IS DEDICATED TO A PRINCIPLE
OF TRADE AND EXCHANGE FREE FROM ALL BARRIERS NOT
INHERENT IN THE COMPARATIVE COSTS OF PRODUCTION
AND TRANSPORT. FREE TRADE BASED ON COMPARATIVE
ADVANTAGE OR INTERNATIONAL DIVISION OF LABOR
REQUIRES THAT EACH SIDE BENEFIT MORE FROM IMPORTS
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THAN IT LOSES FROM EXPORTS. THE THEORY OF INTER-
NATIONAL TRADE THUS ENSURES THAT EACH NATION MAY GAIN
WHILE NOT IMPOSING SACRIFICES OR UNFAIR COSTS ON
OTHERS. THERE IS SUBSTANCE TO THIS THEORY. OUR
EAST-WEST RELATIONSHIPS MAY BE NOURISHED BY PURSUING
ITS FULFILLMENT AS PRESCRIBED IN THE FINAL ACT.

AND FINALLY, LET ME NOTE THAT WE HAVE CONSULTED
WITH REPRESENTATIVES OF OUR BUSINESS COMMUNITY AND I
CAN REPORT THAT THEIR INTEREST IN EXPANDING TRADE
WITH THE EAST HAS NOT FLAGGED. THE FINAL ACT HAS
INCREASED THEIR EXPECTATIONS. THEY ARE FOLLOWING
OUR WORK WITH INTEREST.

IT IS FOR ALL OF THESE REASONS THAT THE UNITED
STATES CALLS FOR A SEQUENTIAL AND DOCUMENTED REVIEW
OF THE PROVISIONS OF SECTION TWO. IT WILL BE THROUGH
THIS PROCESS, AND THROUGH THE CAREFUL EXAMINATION
OF NEW PROPOSALS AIMED AT IMPROVING AND EXPANDING
IMPLEMENTATION, THAT MUTUALLY DESIRED PROGRESS WILL
BE ACHIEVED FOR THE BENEFIT OF ALL PARTICIPATING STATES.
END TEXT.
GOLDBERG

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